



Hope Alert Network for Development and Local Empowerment

# PROCUREMENT POLICY & PROCEDURES

The policy is an approved version recommended for implementation by HANDLE's authorities

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# CONTENT

- 1. INTRODUCTION**
  - 1.1 SCOPE AND APPLICATION OF THE MANUAL
  - 1.2 GENERAL PRINCIPLES
  - 1.3 ETHICAL PROCUREMENT
  - 1.4 CONFLICT OF INTEREST
  
- 2. STAGES OF THE PROCUREMENT PROCESS**
  - 2.1 CREATION OF THE PROCUREMENT PLAN
  - 2.2 SELECTION OF THE SUPPLIER AND CAUSES FOR EXCLUSION
  - 2.3 PREPARATION AND SIGNATURE OF CONTRACTS
  - 2.4 CONTROL AND ACCEPTANCE OF THE SERVICES REQUIRED
  
- 3. SINGLE OFFER**
  
- 4. SINGLE OFFER WITH THREE QUOTATIONS**
  
- 5. COMPETITIVE NEGOTIATED PROCEDURE**
  
- 6. LOCAL OPEN TENDER**
  
- 7. DEROGATION TO THE PROCUREMENT PROCEDURES AND EXCEPTIONAL CASES**
  - 7.1 REQUESTS AND AUTHORIZATIONS OF EXCEPTIONS AND DEROGATIONS
  - 7.2 SPECIAL CASES
  
- 8. PREPARATION OF THE TENDERS**
  - 8.1 PUBLISHING CALLS TO TENDER
  - 8.2 CRITERIA OF SELECTION
  - 8.3 CRITERIA OF ASSIGNMENT
  - 8.4 MODE OF PRESENTATION OF THE OFFERS
  - 8.5 EVALUATION COMMITTEE
  - 8.6 CANCELLATION OF TENDERS

## I. INTRODUCTION

Hope Alert Network for Development and Local Empowerment (HANDLE) shall apply this procurement procedure to contribute to her vision and mission of *a World where no child knows poverty, vulnerable individuals are economically empowered; and Commitment for the delivery of programs that ensure measurable quality of work and lasting impact for the people we serve*. HANDLE's procurement procedures regulate the process of purchasing goods, services, and works necessary to implement humanitarian and development projects.

The manual is broadly inspired by reference documents for the implementation of projects financed by different donors in the development sector as well as in that emergencies, establishing procedures that incorporate their procedures and guidelines. Since 2017, HANDLE and the donors' practices faced some modifications, due to changes in improvements in internal mechanism balances and controls. This led us to update this manual, introducing some complementary information for more efficient management of the procurement procedures. Moreover, the organization decided to put beside this manual some keys, templates, and easy tools to guide project managers and help HANDLE's staff to use documents that are at the same time as compliant as possible with the main donor's rules and easy to be used. This gives all the offices a common identity, with a view to a restyling effort put in place by the Communication office.

### I.1. SCOPE AND APPLICATION OF THE MANUAL

The main objectives of this manual are:

- To serve as a practical tool to ensure compliance with the general principles of the procurement process;
- To serve as a reference and guide for all the personnel involved in the procurement process.
- To allow more efficient and targeted monitoring of procurement processes.

While these procedures are to be understood as references for all projects implemented by HANDLE, regardless of the donor, in general, it will always be necessary to proceed as follows:

1. In the case of projects funded by donors check for the existence of guidelines related to the specific funding agreement to integrate HANDLE's procedures with those of the Donor; the guidelines have to be sent, if available, together with the project's budget and the procurement plan to the Procurement Officer.
2. It's always necessary to check if locally some laws or regulations are in place, which potentially could be at odds with HANDLE or Donor's procedures. This will have to be addressed by the Project Manager in coordination with the Procurement Officer.
3. Periodically check for updates of the regulations that may have been enacted and are currently applicable to projects in progress;

### I.2. GENERAL PRINCIPLES

The general principles that inspire HANDLE's procurement procedures are:

- Transparency in the procurement processes;
- Respect for HANDLE's ethical principles expressed in the Code of Ethics and Conduct during the processes of assignment and performance of the contracts
- Prevention and fight against corruptive, fraudulent, collusive, and coercive practices<sup>1</sup>;
- Respect for the laws and national and international regulations;
- Proportionality between the procedures followed for the assignment of contracts and the value of those contracts;

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<sup>1</sup> With regard to fraud and corruption issues, please refer to HANDLE Antifraud Policy

- Equal treatment and no discrimination for all potential contractors;
- No discrimination among the various funding organizations;
- The assignment procedures shall follow the principles of ECONOMY, EFFICIENCY, and the best QUALITY-PRICE ratio, to obtain the desired quality of the product at the best price;
- Respect for the conditions outlined in the contracts stipulated with international donors;
- Right of access to the contractor for audit and other checks;
- Supporting the local economy whenever it is possible, without distorting the local market, increasing prices, or unduly burdening either the local natural resources or the environment;

#### **NOTE**

HANDL's Management shall be promptly informed of any cases of fraudulent conduct, attempts of conspiracy and extortion.

### **1.3. ETHICAL PROCUREMENT**

All procurement transactions must be conducted in a professional manner and accordance with the highest ethical standards.

In the selection of candidates, tenderers, and contractors the following criteria must be considered:

- The respect of working conditions of bidders and contractors' staff
- The avoidance of child labour;
- The respect of social rights;
- Zero tolerance for sexual exploitation and sexual abuse in relation to grave professional misconduct<sup>2</sup>
- Ethical procurement and transport to avoid contractors involved in illegal activities.
- Environmental aspects when selecting goods and distribution methods, including, whenever it possible, a criterion to evaluate the supplier's environmental performance as well as the sustainability of the delivery of products and solutions in line with organization and donor guidelines.

### **1.4. CONFLICT OF INTEREST**

Impartiality and objectivity must be ensured at every stage of the procedure, from the planning to the execution of the procurement, including the subsequent audits and controls.

- Suppliers should be asked if there is a potential conflict of interest with any HANDLE staff before any contract is placed with them, and written documentation of this should be placed on file and taken into consideration in any future procurement dealing with that supplier.
- In respect of any evaluation, adjudication, or award of a contract, all members of the evaluation committee must be required to acknowledge in writing that they have no conflict of interest with the selected supplier or contractor by signing the declaration

When confronted with a situation constituting or likely to entail a conflict of interest, every member of the staff shall inform his/her superior so that appropriate measures can be adopted to avoid such a conflict or its continuation.

## **2. STAGES OF THE PROCUREMENT PROCESS**

The procurement process is not limited merely to the acquisition of goods, services, or work, but also envisages the implementation of a definite process of planning and correct application of certain rules to

<sup>2</sup> Please refer to HANDLE's Code of Ethics and Conduct

respect the general principles described above. Moreover, a bunch of “best practices” have been put in place in some of the most delicate phases of the project, helping to monitor and collect correct information before the end of the project, as a process of clarity and transparency which is foremost useful during a financial audit. Finally, this kind of approach introduces a double-check on the contracts in force and financially closed

The procurement process can be summarized in the following stages:

- 2.1 Creation and approval of the procurement plan
- 2.2 Selection of the supplier/contractor
- 2.3 Preparation and signature of contracts
- 2.4 Control and acceptance of the services required

## 2.1. CREATION AND APPROVAL OF THE PROCUREMENT PLAN

At the time of drafting new project proposals, the project budget is drawn up with the relative procurement plan. The Procurement Plan envisages for each acquisition (over 1,380 US Dollars (USD)), in addition to the budget forecast, also the definition of the procurement procedures to be applied during the implementation of the project. The definition of the procurement procedures to be applied for each process shall be carried out in line with the following reference table for HANDLE procedures.

**Table 1: HANDLE PROCUREMENT PROCEDURES**

TYPE OF PROCEDURE	TYPE OF CONTRACT		
	SERVICES	SUPPLIES	WORKS
<b>Local open tender</b> (minimum 21 days of publication)	X ≥ 5,000 US Dollars (USD)		
<b>Competitive Negotiated Procedure</b> (minimum 3 candidates)	1,000 US Dollars (USD) ≤ X < 5,000 US Dollars (USD)		
<b>Single Offer</b> (With the request of quotation from at least 3 companies)	600 US Dollars (USD) ≤ X < 1,000 US Dollars (USD)		

Table I is the reference for the application of the different HANDLE procurement procedures. Any exceptions or derogations to that table shall be discussed and authorized by the main office of HANDLE in accordance with the procedures defined in the paragraph “Derogations”.

### NOTE

Different purchases in the same category of goods and budget line may not be divided artificially into multiple purchases of lesser amounts in order to apply simpler procurement procedures.

The “**Procurement Plan**” shall be drawn up by the Project Manager (or, in his absence, by the Country Representative or Desk Officer), who shall send it to the **Procurement Officer** at the main office to receive his approval<sup>4</sup>. The document is to be presented at the time of undertaking the action or prior to presentation to the donor if requested by it and shall be communicated to the Desk Officer and Country Representative. During the implementation of the project, the **Project Manager** will **update** the “**Procurement Plan**” and send it to the main office:

- Quarterly;
- At the time of presentation of the interim and final reports.
- Every time some important modifications involve procedures over 10.000 USD, forcing to change the forecast procedure.

- Every time the project budget is significantly modified

#### **NOTE**

During the tendering stage, if all the offers received during the procurement procedure are above the maximum limit of the procedure applied (Reference to table no. 1), the procedure has to be cancelled and the procedure relative to the effective price segment will have to be applied.

#### **Framework Contracts**

Known also as Long-term Contracts, they are stipulated between the nonprofit organization and one or more suppliers to determine general characteristics relative to goods, services, or works assignable in the sphere of a period that may reach up to 5 years. Detailed indications regarding the purchase will be provided case by case based on more detailed “purchase orders”. This procedure, which shall be carried out in respect of the principles established in this manual will make it possible to identify pre-selected suppliers. Specific contracts will be stipulated with the suppliers who signed the framework contract after having consulted all the suppliers involved in that particular framework contract.

## **2.2. SELECTION OF THE SUPPLIER**

The **Project Manager**, who is responsible for the application of the procurement procedures for the goods, services, and works necessary to implement the project, will then have to:

1. **Apply the procurement procedure** approved by the main office through the “Procurement plan”
2. **Prepare and archive the necessary documents** and relative **authorization** required for every procurement procedure
3. Create the **evaluation groups** when necessary to conform to HANDLE standards (evaluation committee<sup>6</sup>)
4. Pay particular attention to applying the criteria of selection envisaged by the various donors:
  - Application of the rules of **exclusion**
  - Application of the rules on the **nationality and origin**
    - **At this time, your attention is called to the Ethics Code, signed by all employees, and prepared by HANDLE.**
  - Counterterrorism checks according to the internal analysis, guidelines of donors, and agreements signed with HANDLE.

Candidates or participants in tenders shall be excluded from the procurement procedures in one of the following cases:

- a. They are bankrupt or are winding up their business, have been placed in receivership, have settled with creditors, are subject to procedures regarding these matters, or are in similar situations deriving from procedures envisaged by the laws of their country;
- b. They have been found guilty in trials for crimes regarding professional conduct, and have received a final judgment;
- c. They have committed gravely improper professional acts proven, in any case, by HANDLE
- d. They have not fulfilled their obligations relative to payment of social security contributions or taxes according to the legislation in the country where their main office is located;
- e. They have been brought to trial and definitively found guilty of fraud, corruption, participation in criminal organizations, or any other illegal activity;
- f. They have been declared in grave breach for failure to comply with their contractual obligations in other procurement procedures funded by HANDLE or by the companies that fund it.

The burden of proof is on the candidate to demonstrate that it does not fall into one of the situations listed above.

HANDLE, according to its own Risk Assessment, may abstain from requiring these declarations for contracts worth less than 2,760 USD.

Contracts will not be assigned to candidates who, during the procurement procedures:

- a. Are subject to conflicts of interest;
- b. Have omitted to provide the information requested by HANDLE as a condition for participation in the procurement procedures or have furnished false information;
- c. Attempted practices of corruption, fraud, collusion, or coercion to obtain their assignment.

In this case, it is necessary to inform the management of HANDLE and in accordance take the necessary official steps to inform the donor.

HANDLE requires that all companies which supply works/goods/services in the performance of the respective contracts respect the highest ethical standards, the fundamental social rights and working conditions of their employees, that they abstain from exploiting child labor or do not exercise any other practices of exploitation, such as limiting the employees' rights of free association, collective agreement, and membership in labor unions.

### 2.3. PREPARATION AND SIGNATURE OF CONTRACTS

In general, the contract shall be prepared by the Project Manager and reviewed by the Head of Programme or Director depending on the procurement procedure to perform. Applying the principle of proportionality, based on the different procedures applied and the amount of the contract, it will be possible to stipulate more or less elaborate versions of the contract.

In the case of tender, it is a good rule to include a draft of the contract in the inquiry.

Regardless of the complexity of the contract, information regarding the following paragraphs must be included:

- **“Technical Specifications”** should be as detailed as possible for tenders
- **“Terms of payment”** to be agreed with the management to envisage a reasonable project “Cash flow”
- **Time and place of delivery** (with the application of penalties for delayed delivery if necessary)

#### NOTE:

**HANDLE should always try to use its own contract format and not accept a supplier's contract format, whenever possible.**

### 2.4. CONTROL AND ACCEPTANCE OF THE SERVICES REQUIRED

Acceptance of the services required is a fundamental event as HANDLE thereby acknowledges fulfillment of the service contracts and resolves to pay the price. Depending on the type of service required and the amount of the purchase, different documents may be necessary.

For example, general indications may be defined based on the type of market regulated by the contract:

For **supply contracts** a **“Delivery note”** may be issued by the logistic office or project manager, considering the following points:

- Conformity in terms of **quantity and quality** with those required. Any quality certificates, if included, shall be presented and attached to the documentation. Materials with defects and not conforming to those required shall not be accepted. A delivery report specifying any defects shall be issued in this case.
- **Place of delivery:**
- **Time of delivery:** check that the materials have arrived within the time agreed. If not, decide whether to apply a penalty (which shall have been specified in the contract in advance)

In the case of **service contracts** requiring a service such as design, data processing, or works management, there are two main categories involved, depending on the mode of payment:

- **Total price:** the service is paid based on well-defined output (such as an interim report or final report). In this case, written approval of the output is issued.
- **On a time and materials basis:** when the necessary output is not foreseeable in advance (as in the case of works management, etc.) a unit/time rate is established (Euro/Day, etc.). In this case, in addition to the evidence of **completed service** the contractor will have to enclose an account of the **hours worked**, which shall be approved by HANDLE (stamp and signature).

For **works contracts**, payment is made on the strength of the working progress report, approved by the HANDLE staff: The **Working Progress Report** shall be enclosed with the request for payment by the supplier and shall certify the condition of having reached the stage envisaged for payment according to the contract terms. The Working Progress Report shall reflect the same structure of metric calculation used in the contract to permit comparison. HANDLE shall then verify the truth of the request and approve the working progress report (stamp and signature).

The final payment shall be made after **testing**, where envisaged, or after the **Final Handover**

**Note: based on the types of goods/services purchased or done, it will be necessary to decide whether to request that the supplier issue a warranty to safeguard HANDLE's investment.**

### 3. SINGLE OFFER

The "Single Offer" procedure:

- Is applied for purchases having a value between **600 US Dollars (USD) ≤ X < 1,000 US Dollars (USD)**

**The Project Manager shall:**

1. Perform the Market study to identify the supplier;
2. Send the **Request for quotation** with technical specifications to the selected supplier;
3. **Examine the offer** (which must be in writing) and, if deemed satisfactory, proceed to the next stage, if not, proceed with a new market search and offer inquiry;
4. Prepare and sign the **"Purchase or Supply Order" or "Contract"**;
5. On **delivery** of the goods, services, or works, **verify the adequacy of the goods/services/works** received and report any defects or shortcomings;
6. On receipt of the **invoice**, verify its regularity and **prepare the payment** at the term agreed;
7. Obtain a **receipt for payment**;

### 4. SINGLE OFFER WITH THREE QUOTATIONS

The "Single Offer with three quotations" procedure is applied for purchases between 600 US Dollars (USD) ≤ X < 1,000 US Dollars (USD).

**The Project Manager shall:**

1. Perform the Market study to identify possible suppliers;
2. Send **Request of quotations** with technical specifications to at least three different suppliers identified in the market study, via fax or e-mail, or hand delivery;



- 3 **Examine the offers** (which must be in writing) **and select the best offer.** If deemed satisfactory, proceed to the next stage and, if not, proceed with a new market search and offer inquiry;
- 4 Sign the **“Purchase Order” and/or “Contract”**;
- 5 On **delivery** of the goods, services, or works, **verify the adequacy of the goods/services/works** received and report any defects or shortcomings;
- 6 On receipt of the **invoice**, verify its regularity and **prepare the payment** at the term agreed;
- 7 Get a receipt for the payment;

<b>SINGLE QUOTE WITH 3 OFFERS</b>	Procurement phase	Market search
		Send offer inquiries with technical specifications to at least three different suppliers identified in the market search, via fax or e-mail, or hand delivery
	Evaluation and contracting phase	Selection of the most convenient offer (written evaluation). If deemed satisfactory, proceed to the next stage and, if not, proceed with a new market search and offer an inquiry
		Contract (in case of works, supplies, or services spread in a span of time) or purchase order (for immediate transactions). VAT status and regularity with the financial regulations of the country should be verified.
	Execution of the contract phase	Verification of conformity of goods received, or service and work realized
		Regular invoice
		Payment
		Receipt

## 5. COMPETITIVE NEGOTIATED PROCEDURE

### The **Project Manager** shall:

1. Perform the **Market study** to **select at least three potential suppliers**;
2. Prepare and send the **invitations to the tender** and **tender dossier** (with a reference to the procedure to be launched, according to the **Procurement Plan** and estimated cost of the purchase) to the Director/Head of Programme (HoP)/Representative, and/or the Procurement Officer.

### The **Director/Hop/Representative / Procurement Officer** shall:

3. **Examine** the documentation and **approve** the launch of the procedure.

### The **Project Manager** shall:

4. Send **written invitation to participate in the tender** at the same time to an adequate number of suppliers to ensure **real competition, in any case not fewer than three**, setting a date for delivering the offers; the dossier can be annexed to the invitation or may be represented by the request to the suppliers to come to the premises of HANDLE in order to receive the complete tender dossier. In this latter case, a **table of the suppliers withdrawing the tender** shall be drafted; The tender can be sent by email also, but in this case, a receipt of the tender must be signed and scanned by the supplier. Automatic replies to emails are **NOT** a proof of delivery. Confirmations by email are not a proof too, without a scanned copy of the tender's receipt.
5. **Draft a table listing the potential suppliers who should deliver the offers in a closed envelope by the due date. Late offers cannot be accepted.**
6. Establish **the evaluation committee** in order to assess the offers received, fill out the comparative table and award the tender. For the sake of clarity and transparency of evaluation, a **comparative table shall ALWAYS be drawn**, using evaluation criteria identified in the terms of the tender.

7. Send to the **Country Representative and/or Procurement Officer** the following documentation:
  - a. **Evaluation Report** of the offers received, including the **evaluation table**
  - b. **Draft of the contract**
  - c. **Purchase request of authorization** (signed or via e-mail)

The **Director/HoP/Representative / Procurement Officer** shall:

8. **Authorize**, via e-mail or fax, the **purchase request after reviewing the documents sent by the project manager**

The **Project Manager** shall then:

9. **Send** (via fax or e-mail) **award and apology letters informing about the result of the tender** to all the participants in the tender. The winner shall be notified of the date set to sign the contract and shall be informed of any additional documents to bring to the signing (Financial Guarantee, etc.);
10. Sign the **Contract** on behalf of HANDLE (in the absence of the Project Manager the contract is signed by the Director);
11. On **delivery** of the goods, services, or works, **verify the adequacy of the goods/services/works** received and report any defects or shortcomings, drafting a delivery note and authorizing the supplier to issue an invoice;
12. **Prepare the payment** on the terms agreed in the contract; the financial plan should always be kept in consideration while planning the payments.
13. Get a receipt **for payment** together with the maintenance guarantee, if required by contract;

NEGOTIATED PROCEDURE	Procurement phase	Market search, selecting at least 3 suppliers to invite to tender
		Preparation of the tender dossier and the invitations to the negotiated procedure. The authorization form has to be submitted to the person in charge to authorize the launch.
		A written invitation to participate in the tender has to be sent at the same time to an adequate number of candidates to ensure real competition, in any case not fewer than three, setting a deadline for submitting the offers. A sheet of delivery of tender to the candidates shall be drafted; an official invitation could be sent by email, provided that a .pdf file of confirmation has to be signed and stamped by the invited candidate.
		Preparation of a sheet for the receipt of the offers within the deadline
	Evaluation and contracting phase	Selection of the most convenient offer through an evaluation committee (an even number of evaluators, at least three). Declaration of impartiality over 1,000 USD
		Evaluation report of the offers received, including the evaluation table, draft of the contract, and authorization to the contract's signature should be sent to the appointed persons for the authorization
		Send (via fax or e-mail) the award or apology letters, informing on the result of the tender to the candidates. The winner shall be notified of the date for the signature of the contract, reminding the necessary conditions
		Signing of the Contract by the Project Manager, Director or Head of Programme, Or Representative
	Execution of the contract phase	Verification of conformity of goods received, or service and work realized
		Regular invoice
		Payment
		Receipt

## 6. LOCAL OPEN TENDER

The **Project Manager** shall:

- 1.** **Prepare** and **send** to the Procurement Officer and the Director/HoP or Representative the **Tender dossier** and relative **announcement** with the estimated cost of the purchase.

The **Director/HoP/Representative / Procurement Officer** shall:

- 2.** **Review** the documentation and **approve** the publication of the tender via email or fax; The

The **Project Manager** shall:

- 3.** **Publish** the Tender announcement in the main local media;
  - 4.** The **Tender dossier** shall be sent or delivered to all the applicants within a time established for **delivery of the tender dossier** at HANDLE's or partner's premises. A **table of delivery of the tender** shall be drafted;
  - 5.** Prepare an **"informative meeting"** with the participants if necessary for the correct interpretation of the tender dossier and technical specifications. Prepare **written minutes** and **send** them to all the participants in the tender, even those not present at the informative meeting;
  - 6.** **Collect** any **question raised** by one or more participants in writing (within the terms specified in the terms tender) and reply in writing to all, in the same way (within the terms specified). Publication of questions and answers on the HANDLE website, managed by the Procurement Officer, is the preferred method;
  - 7.** **Receive the offers by the deadline.** The envelopes shall be numbered consecutively and entered on a specific list (**delivery list**), with the same number, also indicating the name of the sender, date and time of receipt;
  - 8.** Establish **the evaluation committee** in order to assess the offers received, fill out the comparative table and award the tender, as follows:
    - Opening session:** on the date and at the time established (in a public session not earlier than 21 days from the date of publication) open the envelopes and examine the documents received
    - Evaluation session:** For clarity and transparency of evaluation, **a comparative table shall ALWAYS be drafted** of the offers received;
  - 9.** **Send** the Director and /or Procurement Officer/ Head of Programme or Representative the following documents:
    - Evaluation Report of the offers received, including the evaluation table
    - Draft of the contract
    - Purchase request of authorization (signed or via e-mail)
- The **Director/HoP/Representative / Procurement Officer** shall:
- Examine and verify the documentation received from the project manager
  - Authorize, via e-mail or fax, the purchase request
  - Review and approve the draft contract

The **Project Manager** shall then:

- 10.** **Send** (via fax or e-mail) **award and apology letters informing about the result** of the tender to all the participants in the tender. The winner shall be notified of the date set to sign the contract and shall be informed of any additional documents to bring to the signing (Financial Guarantee, etc.);
- 11.** Sign the **Contract** on behalf of HANDLE (in the absence of the Project Manager the contract is signed by the **Director/Head of Programme or Representative**;
- 12.** On **delivery** of the goods, services, or works, **verify the adequacy of the goods/services/works**

received and report any defects or shortcomings, drafting a delivery note and authorizing the supplier to issue an invoice;

**13. Prepare the payment** on the terms agreed in the contract; the financial plan should always be kept in consideration while planning the payments.

**14. Get a receipt for payment** together with the maintenance guarantee, if required by contract;

LOCAL OPEN TENDER	Procurement phase	Preparation of the tender dossier and relative announcement with the estimated cost of the purchase. The authorization form has to be submitted to the person in charge to authorize the launch.
		Publication of tender announcement in local media (newspapers)
		At the deadline for the request of documents the terms of the tender shall be sent to all the applicants at the same time, or within a time established for delivery of the tender at the HANDLE premises. A sheet of delivery of tender to the candidates shall be drafted.
		Any additional information, or answer to questions raised during the procurement procedure, should be given to all the candidates after the term for withdrawing the dossier. Alternatively, these should be published on HANDLE website.
		The envelopes shall be numbered consecutively and entered on a specific list (delivery list), with the same number, also indicating the name of the sender, date and time of receipt
	Contracting phase	Selection of the most convenient offer through an evaluation committee (an even number of evaluators, at least three). Declaration of impartiality over 1,000 USD
		Evaluation report of the offers received, including the evaluation table, draft of the contract, and authorization to the contract's signature
		Send (via fax or e-mail) the award or apology letters, informing on the result of the tender to all the candidates. The winner shall be notified of the date for the signature of the contract, reminding the necessary conditions
		Signing of the Contract by the Project Manager or Director or Head of Programme
	Execution of the contract phase	Verification of conformity of goods received, or service and work realized
		Regular invoice
		Payment
		Receipt

## 7. DEROGATION TO THE PROCUREMENT PROCEDURES AND EXCEPTIONAL CASES

### 7.1 REQUESTS AND AUTHORIZATIONS OF EXCEPTIONS AND DEROGATIONS

If the prescribed procedure cannot be applied for local reasons (security problems, absence of suppliers who can provide the service required, monopoly, absence of goods on the market, etc.) the project manager and Procurement Officer shall agree on which procedure can be used. Then an official request should be submitted to the donor or alternatively to the HANDLE's office headquarters, depending on the nature of the derogation required.

In general, there are two possible types of exceptions:

- **Internal derogation by the main office:** where the HANDLE procedure is not followed, and the donor's rules are applied. This includes also the amounts forecast for cash for work, distributions, and other activities. All the budget lines > 1,000 US Dollars (USD) not involving running and local office costs or local staff should be included in the procurement plan, where derogations to the internal procedures

will be evaluated by the Procurement Officer, which is in charge to grant the derogation after discussing with Director or Head of Programme.

- **External derogation of the donor:** where it is not possible to apply the standard procedure defined by the donor's rules, the donor must be asked directly to grant the derogation. These requests should be first monitored and authorized by the Procurement Officer.

The Procurement Plan should be constantly updated once a request of derogation obtains approval, from the Organization's Headquarter and/or from the donor.

## 7.2 SPECIAL CASES

In addition to the different limits for the determination of the procedures, the main donors decide on exceptional and appropriately justified cases and additional cases where it is possible to apply the "**Single Offer**" procedure.

In general, the main causes for application are listed here below. It should be noted that this list is not complete, and reference should be made **to the rules of the individual donors** for precise definition case by case.

- **Rental** of land, buildings, offices
- **Emergency** operations
- When a tender has been announced and **received no response**. In this case, the negotiated procedure with a single supplier is possible on the condition that the original terms of the tender are not amended
- In the presence of **additions to a basic contract** or for a contract of a previous operation having the same characteristics in the same geographical zone. In this case, the Negotiated Procedure/Single Offer is possible on the condition that a tender was announced for the previous contract won by the supplier at conditions sufficiently similar to the new contract. Not more than a year has passed between the two contracts
- In case of **exceptional works and/or service not envisaged** in the initial contract, consequent to extraordinary events and necessary to complete the works, on condition that the aggregate amount of the extra works does **not exceed 50%** of the value of the main contract

## 8. PREPARATION OF TENDER DOSSIER

### 8.1 PUBLISHING CALLS TO TENDER

Calls to tender shall be published, depending on the type of procedure, in the following media:

1. **Local media.** Usually, these are newspapers with a wide circulation where other implementing partners or NGOs/agencies and public companies normally publish tenders.
2. On the **HANDLE's website** where required by the procedures.  
For certain projects, but only following detailed requests, if publication could damage or endanger HANDLE, the donor may agree to avoid publication. Their explicit authorization is necessary, however.

The announcement shall contain specific information such as:

- Project code and title
- Subject of the tender: Technical specifications of the goods/services/works to be purchased or assigned
- A date by which the documents must be collected and delivered.

### 8.2 CRITERIA OF SELECTION

Regardless of the type of purchase, the following criteria shall be applied:

#### GENERAL PRINCIPLES:

HANDLE shall provide a clear and non-discriminatory criterion of selection in all procurement procedures. The purpose of using the procedure is to ascertain that the candidate has the financial, economic, technical, and professional capabilities to fulfill the requirements of the contract.

Before drafting the terms of the tender, the **Project Manager** shall consider which criteria should and can realistically be ascertained and then decide what type of documentation it will be possible to require from the supplier during the tender.

### **ASSESSING THE ECONOMIC AND FINANCIAL CAPABILITIES OF CANDIDATES**

The period for which to assess the economic and financial capabilities is at least **three years**. Proof of economic and financial capability can be provided, for example, with the following documents:

- Summary bank statement or evidence of indemnity insurance on the professional risk;
- Presentation of the corporate financial statements for at least two years;
- A declaration of general revenues and revenues concerning the works, supplies, and services that are the subject of the contract, for a period of at least three years.

### **ASSESSING THE TECHNICAL AND PROFESSIONAL CAPABILITIES OF CANDIDATES**

The periods for ascertaining the technical and professional capabilities of a supplier are three years for services and supplies and five years for works. Proof of technical and professional capacity can be provided, for example, with the following documents:

- Educational and professional qualifications of the candidates (CVs)
- List:
  - of the main services and supplies made in the past three years, with the amounts, dates, and clients, specifying whether public or private. Evidence of correct implementation shall be obtained from certificates obtained or signed by the clients
  - for the works performed in the past five years, with amounts, dates, and places. The list shall be accompanied by certificates of satisfactory performance signed by the clients.
- Description of the technical equipment, tools, and systems that will be used by the company to furnish services and works.
- Description of the measures applied to ensure the quality of supplies and services, and a description of the company's R&D office.
- Information about the technical personnel or companies involved, if they are directly owned by the company, particularly those responsible for quality control.
- Regarding supplies: samples, descriptions, and/or photographs, and/or certificates issued by an official institute of control or recognized agencies that certify the conformity of the products to the specifications and standards required.
- Declaration on the average annual number of employees and executive staff of the candidate in the last three years.
- Information about the portion of the contract that, if selected, the candidate intends to subcontract.

If the documentation necessary is presented in a language that is not one of the official languages, a translation must be presented in the official language of the project.

If the candidate is not able to provide the evidence required for some exceptional reason, it can prove its capability in any case with any other means that HANDLE considers adequate.

If the candidate sends self-certification as documentary proof, HANDLE reserves the right to request an additional proof.

### **8.3 CRITERIA OF ASSIGNMENT**

Contracts are assigned on the basis of the assignment criteria **specified in the Call for Tender**:

1. **Automatic** procurement procedure, if the contract is assigned to the candidate who, having satisfied all the conditions, quotes the **lowest cost**;
2. Assignment procedure known as «**best value for money**», so as to obtain the quality desired from the product at the best price (best quality/price ratio).

Substantially, HANDLE requires the application of the principle of “best value for money”.

#### 8.4 MODE OF PRESENTATION OF THE OFFERS

In general, for tenders, the offers shall be sent with the double envelope system: a first envelope marked on the outside “**Technical offer**” and a second marked “**Financial offer**”, are both placed inside a sealed envelope. The outer envelope shall bear:

1. The delivery address as indicated in the call for tenders
2. Reference to the tender to which it responds
3. The wording «do not open before the date of the opening session»

This system makes it possible to assess the technical and financial offers separately and at different times, and thereby guarantees the possibility of assessing the technical offer independent of the price quoted.

#### 8.5 EVALUATION COMMITTEE

**HANDLE uses an evaluation committee for all purchases over 2,760 USD.**

The Evaluation Committee must have at least **three voting members**.

The voting members must have the necessary technical and administrative skills to give an informed opinion on the procedure. The identity of the assessors should be a confidential matter.

All the members of the Evaluation Committee shall sign a **Declaration of Impartiality and Confidentiality**. Moreover, the evaluation committee shall have the opportunity to examine the documentation relative to the tender prior to the evaluation meetings, so as to give the individual members ample time to understand the different selection criteria applied.

It is a good rule to have a committee that involves not only the staff of HANDLE but also, for example:

- the staff of the local partner;
- the staff of the local and/or national authorities involved in the project (eg District sector specialist, )
- outside experts when particular technical skills are required.

Any request to supply accessory documentation shall have a deadline of 15 days from the date of the communication.

#### 8.6 CANCELLATION OF TENDERS

A tender may be canceled for the following reasons, which must be specified in the terms of the tender:

- a. The tender is fruitless, i.e. no offer, or none of the suitable quality and/or price, has been received;
- b. The economic or technical terms of the project have changed significantly;
- c. Exceptional cases and cases of force majeure make it impossible to perform the contract;
- d. When all the technically conforming offers received exceed the financial resources available;
- e. When serious irregularities in the procedure have occurred, and are grave enough to prevent normal competitiveness among the participants.

If the assignment procedure for the contract is canceled, all the candidates shall be informed in writing, as quickly as possible, of the reasons for the cancellation